

AVENATTI & ASSOCIATES, APC

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November 30, 2018

Via E-Mail Only

Ms. Stormy Daniels (aka Stephanie Clifford)
stormydaniels@aol.com
stormycrain@yahoo.com

Re: Legal Fees/Costs Update

Dear Stormy:

As you know, we have served as your counsel and/or advisors on a variety of legal related matters in various jurisdictions beginning in late February 2018 (approximately nine months). These matters include, but are not limited to, the three lawsuits involving Donald Trump and Michael Cohen (two in federal court and one in state court); the arbitration proceeding Mr. Cohen initiated against you; the criminal proceeding involving Mr. Cohen, including responding to discovery demands of the U.S. Attorney's Office; the horse trainer lawsuit in Texas in which you are a defendant; the incident involving your false arrest in Columbus, Ohio; your divorce proceeding; the dispute with Efran relating to the documentary; and your most recent dispute with JD and Keith. Accordingly, I write to provide you with a summary of the time and expenses that have been incurred on these matters for your benefit.

As a preliminary matter, when we were retained, we were paid \$100.00 as an up-front payment by you. It was further agreed that we would be entitled to receive our standard hourly rates from any legal fund we established relating to the Trump related litigation. In particular, paragraph 4 of the Attorney Client Fee Contract that you signed in late February provides that we are entitled to recoup our standard hourly fees and out-of-pocket costs from this fund.

To date, our fundraising attempts have yielded \$587,415 through the first crowdjustice.org page and approximately \$5,000 through the updated page that has since been disabled (please note that the \$5,000 has not been received yet from crowdjustice.org). *As a result, a total of approximately \$592,515 (including your up-front payment) has been raised.*

EXHIBIT

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Hourly Fees

As of October 31, 2018, at least four attorneys have billed time to your various matters. Collectively, we have spent a total of over 2,381 billable hours working on your behalf. *At our standard hourly rates, this time equates to approximately \$1,638,390.* Importantly, these figures do not include any time spent on TV interviews or shows nor do they include any time spent responding to journalists seeking comment for various publications. Despite the fact that we believe much of this time benefited you and your causes, we made the decision not to include this time in our calculation in recognition of our relationship.

In addition to the time above, we have also had no fewer than four staff members devoting time to your matters, including multiple legal secretaries and paralegals/legal assistants. *As a point of reference, through October 31, 2018, the lead paralegal working on your matters has spent over 691 hours, at a cost of \$134,745.*

Out-of-Pocket Expenses

As you are aware, the various legal matters in which we have served as your counsel have required significant out-of-pocket expenditures on a consistent basis. These expenditures have included substantial amounts for security and outside professionals and service providers. They have also included sums spent in the weeks leading up to the *60 Minutes* airing during which various individuals began coming out of the woodwork threatening to air video/audio aimed at discrediting you or casting you in an unfavorable light for their own financial benefit (i.e. the polygraph examiner and Bubba Clem). *These out-of-pocket expenses through November 15 total \$635,434.18 and are summarized as follows:*

Court Reporter Fees	\$148.80
Court/Courier Fees	\$5,180.28
Misc.	\$104.99
Online Legal Research/Westlaw	\$9,181.00
Outside Legal Fees (Ohio & NY)	\$38,250.00
Outside Professional Fees (data and photocopies)	\$9,195.56
Rights to Videos/Files Pre-60 Minutes	\$125,000.00
Security (inc. ProTech, prior firms & advance to you)	\$352,521.73
Travel - Air, Hotel, Ground Transportation, etc. (reduced from actual)	<u>\$97,851.82</u>
Total	\$637,434.18

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Please note that unlike in many cases, we have not included any expenses for in-house photocopies (which have been extensive), word processing charges, etc., nor have we marked-up any out-of-pocket expenses as is done by many firms.

In the event you have any questions or concerns about any of the foregoing, please do not hesitate to contact me so we can address them as quickly as possible.

Warmest regards,

A handwritten signature in black ink, appearing to read "M.J. Avenatti".

Michael J. Avenatti